

Message Text

UNCLASSIFIED

PAGE 01 STATE 295244

71

ORIGIN EUR-12

INFO OCT-01 ISO-00 EB-07 AGRE-00 AID-05 CIAE-00 COME-00

FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 CIEP-02 LAB-04 SIL-01 OMB-01 /068 R

DRAFTED BY EUR/WE/GPFOURIER

APPROVED BY EUR/WE/REBARBOUR

OSGM/CEP/EPD-KO/STEPHENS (DRAFT)

EB/OFPP/PTAYLOR (DRAFT)

----- 000953

R 032208Z DEC 76

FM SECSTATE WASHDC

TO AMEMBASSY LISBON

UNCLAS STATE 295244

E.O. 11652: N/A

TAGS:EAGR, PO

SUBJECT:FY 1977 CCC CREDITS FOR PORTUGAL

REF: (A) LISBON 7801; (B) FASTO 56; (C) STATE 244278

1. ALLOCATION OF 106 MILLION DOLLARS MENTIONED DURING AMBASSADOR'S RECENT WASHINGTON CONSULTATION REFERS TO AMOUNT INDICATED IN SUPPLEMENTARY BUDGET MATERIAL ON CCC AUTHORIZATION AS CCC ESTIMATE OF FY 77 GOP COMMODITY PURCHASES TO BE FINANCED WITH CCC CREDIT LINES. SINCE FIGURE IS ONLY AN ESTIMATE, WE ARE UNABLE TO ANNOUNCE OR FORMALLY COMMIT ANY FY 77 DOLLAR FIGURE AT THIS TIME. HOWEVER, YOU MAY INFORM APPROPRIATE GOP OFFICIALS THAT PURCHASES OF COMMODITIES TOTALING ROUGHLY \$100 MILLION DOLLARS IN VALUE WILL BE CONSIDERED FOR FINANCING THROUGH THE CCC WITHIN THE EXISTING AUTHORITY IF PURCHASED AND SHIPPED BEFORE SEPT 30, 1977.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 295244

2. SO FAR 8.8 MILLION DOLLARS IN FY 77 CREDIT HAS BEEN

REGISTERED VIA PORTUGUESE PURCHASES (6.8--CORN; 2.0--TALLOW). THESE OUTSTANDING LINES REPRESENT COMMITMENTS FOR COMMODITIES WHICH GOP FAILED TO SHIP BEFORE END OF TQ ON SEPT. 30 AND WHICH WERE THEREFORE SUBTRACTED FROM FY 76/TQ ALLOCATION AND CARRIED OVER INTO FY 77. THE GOP HAS ALSO RECEIVED APPROVAL TO PURCHASE 1.1 MILLION DOLLARS

WORTH OF BREEDING CATTLE AS ANNOUNCED (REFTEL C). TOTAL REMAINING FROM ESTIMATED TENTATIVE FY 77 ALLOCATION OF 106 MILLION DOLLARS IS THUS ACTUALLY 96.1 MILLION.

3. ADDITIONAL REQUESTS FOR FY 77 PURCHASES TOTALLING ROUGHLY 100 MILLION DOLLARS MAY BE APPROVED BY THE CCC AFTER GOP ADVISES AMOUNTS OF EACH COMMODITY IT WISHES TO PURCHASE, AND ESTIMATES DATES OF PURCHASE AND TENTATIVE SHIPPING SCHEDULES. OF THOSE COMMODITIES WHICH PORTUGAL HAS RECENTLY PURCHASED THROUGH THE CCC, WHEAT, RICE AND FEED GRAINS ARE MOST READILY AVAILABLE AT THE PRESENT TIME. WE HOPE THAT A REDUCTION IN PRESENT BACKLOGS OF PL 480 COMMODITIES AND CONGESTION OF PORTUGUESE FACILITIES WILL ENABLE THE GOP TO EXPEDITE DECISIONS NECESSARY FOR CCC APPROVAL OF ADDITIONAL CREDIT LINES. WE WILL UNDERTAKE JUSTIFICATIONS FOR APPROVAL OF ADDITIONAL REQUESTS AS SOON AS EMBASSY ADVISES THAT THEY HAVE BEEN SUBMITTED.

4. FYI: CCC IS SYMPATHETIC TO THE NEED TO ACHIEVE MAXIMUM PUBLIC RELATIONS BENEFITS FROM COMMODITIES IT FINANCES FOR EXPORT TO PORTUGAL. AT THE SAME TIME, ITS PRIMARY OBJECTIVE IS INCREASING THE EXPORT OF THOSE US COMMODITIES IN ADEQUATE SUPPLY AT THE TIME OF LIKELY PURCHASE. FOR THIS REASON, IT MUST SEEK OTHER SALES OPPORTUNITIES WHEN IT APPEARS THAT A COUNTRY WILL FAIL TO PURCHASE AND SHIP ITS FULL ALLOCATION OF COMMODITIES DURING THE AUTHORIZED FISCAL YEAR. THE UNUSED 8.8 MILLION DOLLAR FY 76/TQ ALLOCATION FOR PORTUGAL, FOR EXAMPLE, WAS LOST TO THE CCC PURPOSE OF INCREASING US EXPORTS. SINCE SUBSEQUENT REDUCTIONS IN A PREVIOUSLY COMMITTED YEARLY TOTAL WOULD INEVITABLY BE MISINTERPRETED BY THE AFFECTED FOREIGN GOVERNMENT, BUT WOULD BE NECESSITATED IF FAILURE TO PURCHASE AND SHIP APPEARED LIKELY, CCC PREFERS TO ANNOUNCE FIGURES FOR UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 295244

APPROVED LINES ONLY. IT IS ALSO IMPOSSIBLE TO JUSTIFY APPROVAL OF CREDIT LINES UNLESS TIME OF PURCHASE IS KNOWN, SINCE WITHOUT THIS DATA, IT CANNOT BE SHOWN TO THE NAC THAT US EXPORTS OF THE COMMODITY WILL BE IN ADDITION TO ANTICIPATED CASH PURCHASES. PROBLEMS ASSOCIATED WITH APPROVAL OF LINES, OBJECTIVES AND OPERATION OF THE CCC CREDIT PROGRAM ARE CONTAINED IN "OSGM PROGRAM EXPLANATION-- INFORMATION FOR AGRICULTURAL ATTACHES.' SECOND SUPPLY OF

THESE HAVE BEEN AIRPOUCHED - EMBASSY. END FYI KISSINGER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, FUND ALLOTMENT, BUDGETS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE295244
Document Source: CORE
Document Unique ID: 00
Drafter: WE/GPFOURIER
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760449-1024
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761273/aaaacImx.tel
Line Count: 116
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 LISBON 7801, 76 STATE 244278
Review Action: RELEASED, APPROVED
Review Authority: wolfsd
Review Comment: n/a
Review Content Flags:
Review Date: 27 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 MAY 2004 by hattaycs>; APPROVED <09 AUG 2004 by wolfsd>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FY 1977 CCC CREDITS FOR PORTUGAL
TAGS: EAGR, PO, CCC-1
To: LISBON
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006